

## Message Text

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73

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /066 W

----- 101182

R 021929Z OCT 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2969

UNCLAS BUENOS AIRES 6622

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJ: CONGRESS APPROVES MODIFICATIONS TO 1975 BUDGET

REF: A-96, APRIL 23, 1975

1. OCTOBER 1ST. CONGRESS APPROVED MODIFICATIONS INTRODUCED BY  
MINISTRY OF ECONOMY TO 1975 BUDGET.

2. FISCAL DEFICIT NOW BUDGETED AT 164 BILLION PESOS, WHICH REPRESENTS

INCREASE OF 801 PERCENT OVER THAT BUDGETED AT THE BEGINING OF THE  
YEAR, AND APPROXIMATELY 14 PERCENT OF TOTAL GROSS DOMESTIC PRODUCTS.

3. EXPENDITURES WERE INCREASED BY 178 BILLION PESOS AND EXPECTED  
INCREASE IN RECEIPTS BY 33 BILLION PESOS MAKING TOTAL EXPENDITURES  
250 BILLION PESOS AND TOTAL RECEIPTS 86 BILLION PESOS. MAJOR  
FACTOR BEHIND THE INCREASE IN EXPENDITURES ARE SALARY INCREASES  
GRANTED DURING YEAR, MAINLY THE LARGE INCREASE EFFECTIVE  
JUNE 1ST. SALARY INCREASES REPRESENT 66 PERCENT OF TOTAL  
EXPENDITURES INCREASES. NEW BUDGET INCLUDES ADDITIONAL EXPENDITURES  
OF 25 BILLION PESOS TO MEET PUBLIC WORKS COSTS DUE TO ACCELERATED  
INFLATION.

4. RECEIPTS ARE INCREASED ONLY BY: 1) EFFECT OF DEVALUATIONS;  
2) USE OF CREDIT; AND 3) INCREASE IN FUELS TAX. NO ADDITIONAL

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TAX RECEIPTS THIS YEAR BUDGETED FOR TAX REFORM OR TAX WHITEWASH.

5. ACCORDING TO LAW, MINISTRY OF ECONOMY, THROUGH THE FINANCE  
SECRETARY, WILL HAVE MORE CONTROL AND DECISION MAKING AUTHORITY  
OVER GOVERNMENT EXPENDITURES IN FUTURE.  
HILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT BUDGET, AMENDMENTS, CENTRAL LEGISLATURE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 OCT 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1975BUENOS06622  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750343-0127  
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**Office:** ACTION ARA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 OCT 2003  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONGRESS APPROVES MODIFICATIONS TO 1975 BUDGET  
**TAGS:** EFIN, AR  
**To:** STATE  
**Type:** TE  
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